

CITY OF BISMARCK POLICE PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2004

	July-04				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Fiscal YTD	FY04	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2004 Net	6/30/2004 Net
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
LA Capital	622,350	5.0%	5.1%	-5.13%	-5.13%	N/A	N/A	N/A
Total Structured Growth	622,350	5.0%	5.1%	-5.13%	-5.13%	19.20%	-5.87%	-7.07%
Russell 1000 Growth				-5.65%	-5.65%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>								
LSV	680,080	5.4%	5.1%	-1.26%	-1.26%	29.44%	9.20%	8.31%
Russell 1000 Value				-1.41%	-1.41%	21.13%	2.96%	0.64%
<i>Enhanced Russell 1000 Index</i>								
LA Capital	848,134	6.8%	5.1%	-4.05%	-4.05%	18.59%	-0.17%	N/A
Russell 1000				-3.51%	-3.51%	19.48%	-0.32%	N/A
<i>Enhanced S&P 500 Index</i>								
Northern Trust	856,989	6.8%	5.1%	-3.67%	-3.67%	19.00%	-0.31%	N/A
Strong	26,541	0.2%	5.1%	0.00%	0.00%	21.13%	-0.06%	N/A
Westridge	853,954	6.8%	5.1%	-3.30%	-3.30%	19.30%	-0.36%	N/A
Total Enhanced S&P 500 Index	1,737,484	13.8%	15.4%	-3.18%	-3.18%	19.81%	-0.24%	N/A
S&P 500				-3.31%	-3.31%	19.11%	-0.69%	N/A
<i>S&P 500 Index</i>								
State Street	435,440	3.5%	3.4%	-3.31%	-3.31%	19.08%	-0.67%	-2.17%
S&P 500				-3.31%	-3.31%	19.11%	-0.69%	-2.20%
TOTAL LARGE CAP DOMESTIC EQUITY	4,323,487	34.4%	34.3%	-3.43%	-3.43%	20.38%	0.08%	-2.14%
S&P 500				-3.31%	-3.31%	19.11%	-0.69%	-2.20%
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
SEI	1,277,776	10.2%	10.7%	-7.32%	-7.32%	33.33%	5.76%	N/A
Russell 2000 + 200bp				-6.57%	-6.57%	35.99%	8.43%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	1,277,776	10.2%	10.7%	-7.32%	-7.32%	33.33%	5.76%	6.81%
Russell 2000				-6.73%	-6.73%	33.36%	6.24%	6.63%
INTERNATIONAL EQUITY								
<i>Large Cap - Core</i>								
State Street	141,171	1.1%	1.1%	-3.04%	-3.04%	27.44%	0.42%	-1.44%
MSCI EAFE - 50% Hedged				-2.80%	-2.80%	26.98%	-1.27%	-1.15%
<i>Large Cap - Active</i>								
Capital Guardian	340,909	2.7%	2.8%	-2.97%	-2.97%	25.40%	-1.15%	1.54%
Bank of Ireland	69,101	0.6%	0.6%	-3.34%	-3.34%	23.61%	N/A	N/A
Total Large Cap - Active	410,010	3.3%	3.3%	-3.03%	-3.03%	25.11%	-0.79%	1.76%
MSCI EAFE - 50% Hedged				-2.80%	-2.80%	26.98%	-1.27%	-1.15%
<i>Small Cap - Active</i>								
Lazard	72,832	0.6%	0.6%	-2.84%	-2.84%	44.40%	N/A	N/A
Wellington	72,833	0.6%	0.6%	-4.65%	-4.65%	42.26%	N/A	N/A
Total Small Cap - Active	145,664	1.2%	1.1%	-3.74%	-3.74%	43.25%	N/A	N/A
Citigroup Broad Market Index < \$2BN				-4.20%	-4.20%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	696,845	5.6%	5.5%	-3.18%	-3.18%	29.19%	2.00%	1.63%
MSCI EAFE - 50% Hedged				-2.80%	-2.80%	26.98%	-1.27%	-1.15%
EMERGING MARKETS EQUITY								
Capital Guardian	228,756	1.8%	2.0%	-1.94%	-1.94%	27.91%	8.93%	2.83%
MSCI Emerging Markets Free				-1.77%	-1.77%	33.50%	13.09%	3.25%
DOMESTIC FIXED INCOME								
<i>Core Bond</i>								
Western Asset	425,309	3.4%	3.1%	1.23%	1.23%	2.02%	8.00%	8.39%
Lehman Aggregate				0.99%	0.99%	0.32%	6.35%	6.95%
<i>Active Duration</i>								
WestAM (Criterion)	414,707	3.3%	3.1%	0.88%	0.88%	-0.25%	5.14%	6.43%
Lehman Aggregate				0.99%	0.99%	0.32%	6.35%	6.95%
<i>Index</i>								
Bank of ND	744,456	5.9%	6.7%	0.95%	0.95%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	102,160	0.8%	0.8%	0.42%	0.42%	5.08%	5.57%	5.70%
Total Index	846,616	6.7%	7.5%	0.85%	0.85%	0.23%	6.79%	6.83%
Lehman Gov/Credit				1.06%	1.06%	-0.72%	6.73%	7.10%

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Convertibles								
TCW	401,550	3.2%	3.1%	-4.83%	-4.83%	16.74%	0.51%	3.89%
First Boston Convertible Index				-2.18%	-2.18%	14.44%	4.95%	5.78%
BBB Average Quality								
Strong	408,915	3.3%	3.1%	1.57%	1.57%	1.29%	6.26%	7.23%
Lehman BBB				1.40%	1.40%	1.23%	8.23%	6.60%
Timberland								
Evergreen (Wachovia)	1,274,645	10.2%	10.2%	0.00%	0.00%	10.46%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME								
Lehman Aggregate	3,771,742	30.1%	30.0%	0.04%	0.04%	5.08%	6.35%	7.34%
				0.99%	0.99%	0.32%	6.35%	6.95%
HIGH YIELD BONDS								
Loomis Sayles	317,375	2.5%	2.5%	1.21%	1.21%	N/A	N/A	N/A
Lehman High Yield Cash Pay Index				1.37%	1.37%	N/A	N/A	N/A
Sutter/Wells Capital	323,274	2.6%	2.5%	1.30%	1.30%	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index				1.33%	1.33%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS								
Lehman High Yield Bond Index	640,649	5.1%	5.0%	1.26%	1.26%	7.69%	6.68%	2.79%
				1.36%	1.36%	10.33%	9.30%	4.78%
INTERNATIONAL FIXED INCOME								
International Sovereign								
UBS Global (Brinson)	278,871	2.2%	2.3%	-0.96%	-0.96%	7.86%	14.20%	6.47%
Citigroup Non-US Gov't Bond Index (1)				-0.88%	-0.88%	7.59%	13.65%	6.84%
International Core								
Brandywine	285,872	2.3%	2.3%	0.27%	0.27%	9.65%	N/A	N/A
Lehman Global Aggregate (ex-US)				-0.70%	-0.70%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME								
Citigroup Non-US Gov't Bond Index (1)	564,743	4.5%	4.5%	-0.34%	-0.34%	8.78%	14.41%	6.59%
				-0.88%	-0.88%	7.59%	13.65%	6.84%
REAL ESTATE								
J.P. Morgan	645,419	5.1%	5.0%	0.68%	0.68%	11.11%	7.63%	9.54%
NCREIF TOTAL INDEX				1.03%	1.03%	10.82%	8.40%	9.33%
ALTERNATIVE INVESTMENTS								
Coral Partners V	33,067			0.00%	0.00%	-31.07%	-34.06%	-13.63%
Coral Partners V - Supplemental	3,932			0.00%	0.00%	30.44%	N/A	N/A
Coral Partners VI	21,771			0.00%	0.00%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	9,151			0.00%	0.00%	9.41%	-7.52%	3.66%
Brinson 1999 Partnership Fund	15,271			0.00%	0.00%	14.66%	-9.09%	-1.33%
Brinson 2000 Partnership Fund	25,358			0.00%	0.00%	11.19%	-6.65%	N/A
Brinson 2001 Partnership Fund	11,705			0.00%	0.00%	6.64%	-2.03%	N/A
Brinson 2002 Partnership Fund	6,649			0.00%	0.00%	14.42%	N/A	N/A
Brinson 2003 Partnership Fund	914			0.00%	0.00%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	7,707			0.00%	0.00%	21.09%	8.14%	4.24%
Brinson 2000 Non-US Partnership Fund	9,625			0.00%	0.00%	15.38%	5.71%	N/A
Brinson 2001 Non-US Partnership Fund	6,018			0.00%	0.00%	16.63%	3.39%	N/A
Brinson 2002 Non-US Partnership Fund	9,040			0.00%	0.00%	18.67%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	2,142			0.00%	0.00%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	415			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	43,780			0.00%	0.00%	21.17%	-9.85%	-10.01%
Matlin Patterson Global Opportunities	62,639			0.00%	0.00%	13.00%	N/A	N/A
InvestAmerica	10,519			0.00%	0.00%	-7.73%	N/A	N/A
Hearthstone MSII	2,488			0.00%	0.00%	28.64%	20.32%	N/A
Hearthstone MSIII	50,506			0.00%	0.00%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	332,698	2.7%	3.0%	0.00%	0.00%	7.05%	-11.71%	-3.15%
CASH EQUIVALENTS								
Northern Trust STIF/STEP	69,224	0.6%	0.0%	0.12%	0.12%	1.44%	1.86%	3.48%
90 Day T-Bill				0.12%	0.12%	0.98%	1.71%	3.29%
TOTAL FUND								
POLICY TARGET BENCHMARK	12,551,339	100.0%	100.0%	-2.12%	-2.12%	15.99%	4.25%	3.59%
				-1.67%	-1.67%	13.67%	4.14%	3.12%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.